

Successor – Planning the Ownership Transfer

**** Transfer Within the Family or Employee Buy-Out ****

When a transfer within the family or an employee buy-out occurs, the main stages in the **ownership transfer** are usually the following:

1. You communicate your interest in taking over the ownership of the business to the incumbent owner:
 - ✓ During this stage, you will **determine your expectations** with respect to the ownership transfer process and communicate them to the incumbent owner.
 - ✓ You will **inquire about the selection criteria** for the future successor.
2. You assess the state of your finances:
 - ✓ During this stage, you will consult experts to help you **assess your financial capacity** to take over a business.
 - ✓ You will also **inquire about possible sources of financing**.
3. When you have been officially selected as the future owner, you negotiate the terms and conditions of the transfer of the shares:
 - ✓ With the help of experts, you will **negotiate and set in place a plan for the ownership transfer** that satisfies all the parties concerned. In the case of a family transfer, it is advisable to have your own experts in order to ensure that your interests are well represented.
4. Ownership is transferred:
 - ✓ The **shareholder structure is reorganized**, and the organizational framework required for this reorganization is set in place (possible creation of a new firm, possible creation of new categories of shares, possible estate freeze, sales contract, etc.)
 - ✓ The **shares are purchased**.

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For each step in the process, you must make a list of the elements that have to be considered and the actions that have to be taken, and you must indicate their respective time frames. Be as detailed and precise as possible. Indicate what you have accomplished so far, and then describe what remains to be done.

Stages in the process	Elements in the plan	Time frame	Already done	Still to do	Person responsible
Communicating your interest to the incumbent owner	<ol style="list-style-type: none"> 1. Determine your expectations with respect to the process. 2. Communicate your interests and your expectations to the incumbent. 3. Inquire about the selection criteria for the future successor. 				
Assessing the state of your finances	<ol style="list-style-type: none"> 1. Assess your financial capacity. 2. Inquire about possible sources of financing. 				
Negotiating the terms and conditions of the ownership transfer	<ol style="list-style-type: none"> 1. Negotiate the terms and conditions of the transfer. 2. Set up a plan for the ownership transfer. 				
Transferring ownership	<ol style="list-style-type: none"> 1. The shareholder structure is reorganized. 2. The financing is finalized. 3. Shares are purchased or transferred. 				